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FISCAL IMPACT STATEMENT

LS 6723

BILL NUMBER: SB 458

NOTE PREPARED: Jan 5, 2011

BILL AMENDED:

SUBJECT: Motor Carriers and Commercial Drivers Licenses.

FIRST AUTHOR: Sen. Wyss

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: *Motor Carrier Fuel Use Tax-* This bill requires electronic filing for motor carrier fuel use tax returns. The bill provides that a passenger vehicle that has seats for more than nine passengers does not have to be registered for the Motor Carrier Fuel Use Tax.

Weight Violations- The bill also specifies that the responsibility for civil penalties for an oversize/overweight violation is the person whose United States Department of Transportation number is registered on the vehicle transporting the load. The bill authorizes the Department of State Revenue to impose a penalty that is less than the maximum penalty for an oversize/overweight violation.

Commercial Driver License Provisions- The bill changes commercial driver license provisions to conform with federal regulations concerning medical issues.

Effective Date: July 1, 2011; January 1, 2012.

Explanation of State Expenditures: *Commercial Driver License Provisions-* This bill will increase the workload of the Bureau of Motor Vehicles (BMV) to ensure that commercial drivers license (CDL) holders and applicants submit the necessary documentation to verify they meet physical qualifications. This provision of the bill is added to conform Indiana Code to requirements of the Federal Motor Carrier Safety Administration. The BMV estimates this provision of the bill is expected to no fiscal impact as currently BMV requires all CDL applicants and holders to provide medical information as a condition of receiving their CDL.

Motor Carrier Fuel Use Tax- Additionally, the bill provides that carriers who are required to pay the Motor

Carrier Fuel Tax must submit all required reports in electronic format. The Department of State Revenue (DOR) reports this requirement will eliminate the need for three full-time data entry staff positions as well as other expenditures related to physical documentation of Motor Carrier Fuel Tax payments. The estimated cost savings from the elimination of these three positions is approximately \$325,000 per year.

Explanation of State Revenues: *Motor Carrier Fuel Use Tax*- The bill exempts passenger vehicles that have seats for more than nine passengers (in addition to the driver) from the Motor Carrier Fuel Tax. The DOR reports there are an estimated 150 to 250 Indiana companies that utilize passenger vehicles with seating for nine or more individuals who register with the DOR to pay the Motor Carrier Fuel Tax. The total number of Indiana companies that are required to register with the DOR to pay the Motor Carrier Fuel Tax is estimated to be between 6,000 and 6,500. The total amount of taxes paid for gas used in operation of passenger vehicles with seating for nine or more individuals is not known. This bill will decrease revenue received from the Motor Carrier Fuel Tax by the amount that was paid for the operation of passenger vehicles with seating for nine or more individuals.

The Motor Carrier Fuel Tax is assessed at a rate of \$0.16 per gallon of gasoline used in operating on Indiana highways. Revenue received from the Motor Carrier Fuel Tax is distributed to the State Highway Fund. For FY 2010, the Motor Carrier Fuel Tax collected a total of \$1,807,088 in revenue.

Weight Violations- The bill also changes the amount of civil penalties that the state can collect for violations of vehicle weight limitations. Currently, Indiana Code prescribes the following civil penalties for each violation:

- (1) For each violation of IC 9-20-5-7 a civil penalty of \$500.
- (2) For each individual who obtains a permit under IC 9-20 and violates the provisions of IC 9-20 is subject to a civil penalty of \$500 for the first violation and \$1,000 for each subsequent violation.
- (3) For each person who transports heavy vehicles or loads subject to IC 9-20 and fails to obtain the required permit is subject to a civil penalty of \$5,000 for each violation.

The bill makes these fine amounts the maximum fine for each violation. Under the bill, the DOR would be able to levy civil penalties against violators for less than the amount specified in current statute. To the extent the DOR levies smaller civil penalties against violators, state revenue will decrease.

Revenue collected from these civil penalties is deposited in the Motor Carriers Regulation Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOR, BMV.

Local Agencies Affected:

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